

SENATE BILL No. 359

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-47.

Synopsis: Sales tax exemption for data warehouse equipment. Provides a state sales tax exemption for the sale or lease of certain enterprise information technology equipment. Requires that the investment in the equipment must be at least \$100,000,000. Specifies that the investment must be in a high technology district area established by a municipality or county fiscal body. Requires that the application for exemption must be reviewed by the Indiana economic development corporation. Requires that the equipment purchase must be made after June 30, 2015, and before July 1, 2020.

Effective: July 1, 2015.

Messmer

January 8, 2015, read first time and referred to Committee on Tax & Fiscal Policy.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 359

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-47 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 47. (a) As used in this section, "eligible business"**
4 **means an entity that meets all the following requirements:**

5 **(1) The entity is engaged in a business that:**

6 **(A) operates; or**

7 **(B) leases;**

8 **enterprise information technology equipment for use in a data**
9 **center that is dedicated to computing, networking, or data**
10 **storage activities.**

11 **(2) The entity's enterprise information technology equipment**
12 **is located in a high technology district area designated under**
13 **IC 6-1.1-10-44, and the designating body has entered into an**
14 **agreement under IC 6-1.1-10-44(i) with the entity.**

15 **(3) The entity, the lessor of enterprise information technology**
16 **equipment (if the entity is a lessee), and all other lessees of**



1 enterprise information technology equipment invest in the
2 aggregate at least one hundred million dollars (\$100,000,000)
3 in enterprise information technology equipment that will be
4 located at one (1) or more data centers.

5 (b) As used in this section, "enterprise information technology
6 equipment" means any of the following:

7 (1) Hardware that supports computing, networking, or data
8 storage functions, including servers and routers.

9 (2) Networking systems that have an industry designation as
10 equipment within the "enterprise" or "data center" class of
11 networking systems that support the computing, networking,
12 or data storage functions.

13 (3) Generators and other equipment that are used to ensure
14 an uninterrupted power supply to equipment described in
15 subdivision (1) or (2).

16 The term does not include computer hardware designed for single
17 user, workstation, or departmental level use.

18 (c) An entity that proposes to purchase or lease enterprise
19 information technology equipment and desires to be an eligible
20 business under this section must file with the Indiana economic
21 development corporation an application for exemption from the
22 state gross retail tax. The Indiana economic development
23 corporation shall review the application to determine if the
24 applicant qualifies as an eligible business under this section. The
25 Indiana economic development corporation shall provide its
26 determination to the applicant and to the department.

27 (d) A transaction involving enterprise information technology
28 equipment is exempt from the state gross retail tax if the
29 department has received, before the date of the transaction, a
30 determination of the Indiana economic development corporation
31 under subsection (c) that the transaction is by an eligible business.

32 (e) The exemption from the state gross retail tax provided by
33 this section may be obtained by issuing the eligible business a
34 specific transaction exemption certificate or by the eligible business
35 applying for a refund after paying the state gross retail tax on the
36 transaction.

37 (f) This section applies to transactions that occur after June 30,
38 2015, and before July 1, 2020.

